

Out.#01/07-2406

03 July , 2024

**His Excellency,
Ambassador Mr. Kestutis Jankauskas**

The CERION LLP is specializes in the exploration of rare earth metals deposits on the territory of Kazakhstan. Our company holds a license for the exploration of rare earth elements issued by the Ministry of Industry and Construction of the Republic of Kazakhstan. The license was issued on March 9, 2024, for the period of 6 years, with the right of extension and priority right to transition of mining mineral resources. We have expertise in this field which allows us to effectively plan and conduct exploration work. The CERION LLP includes professional team of geologists, financiers, lawyers, logisticians and other important people.

The CERION LLP kindly request H.E. Ambassador Mr. Kestutis Jankauskas to assist our company in seeking potential investors in our project for the exploration and development of rare earth elements.

Rare earth metals are the key components for the production of high-tech devices. We are confidents that the potential of our deposit can make a significant contribution to the development of high-tech sectors of the economy.

We highly value the opportunities the arise from cooperation with companies and investments funds belonging EU countries. EU countries are the leaders in high technology and in this regard, we believe that partnership with interested companies will be mutual beneficial and productive. There for we are reaching out to you with a proposal for cooperation and investment in our project.

In case of interest we are ready to provide all the necessary information and engage in detailed negotiations to discuss potential forms of collaboration. We are open to meet and discuss further steps and investment opportunities.

Our team appreciates in advance for considering our proposal and we hope for prompt response.

Attachments: Presentation

Best regards,

Aliya Alaguzova

Founder and CEO of CERION LLP



ТОО «Cerion»
010000, Республика Казахстан,
г. Астана, район Нура,
ул. С. Асфендиянова, 1
БИН 231040011242
ИИК KZ9696503F0012762687
АО "ForteBank"
БИК: IRTYKZKA
Телефон: +7 (707) 122-12-99,
+7 (7232) 61-23-61
e-mail: thecerion@gmail.com








«Cerion» ЖШС
010000, Қазақстан Республикасы,
Астана қаласы, Нура ауданы,
с. Асфендияров көшесі, 1
БСН 231040011242
ЖСК KZ9696503F0012762687
"ForteBank" АҚ
БИК: IRTYKZKA
Телефон +7 (707) 122-12-99,
+7 (7232) 61-23-61
e-mail: thecerion@gmail.com

"Cerion" LLP
010000, Republic of Kazakhstan,
Astana, Nura district,
S. Asfendiyarova str., 1
BIN 231040011242
IIC KZ9696503F0012762687
"ForteBank" JSC
BIC: IRTYKZKA
Phone: +7 (707) 122-12-99,
+7 (7232) 61-23-61
e-mail: thecerion@gmail.com

DEPOSITS OF RARE EARTH ELEMENTS IN THE
AKTOBE REGION OF KAZAKHSTAN



CONTENTS

-  SITE LOCATION
-  STAGES AND RESULTS OF GEOLOGICAL RESEARCH
-  PROJECT EVALUATION
-  6 - 7 PROJECT IMPLEMENTATION VALUE AND SCHEDULE
-  8 - 10 GENERAL INFORMATION ABOUT THE DEPOSIT AREA
-  11 - 14 OVERVIEW OF THE WORLD MARKET FOR RARE EARTH METALS
-  LEGAL DOCUMENTATION



DEPOSITS OF RARE EARTH ELEMENTS IN THE AKTOBE REGION

- The site is located in a region with developed infrastructure, power supply network and road network, including highways and field roads. The Samara-Shymkent international highway passes at a distance of 1.3 km from the site. There are residential settlements within a radius of 5 km from the site.
- The area of the site is 16 square kilometres..



STAGES AND RESULTS OF GEOLOGICAL RESEARCH



1961 - finding of molybdenum and lead anomaly, recommendation for further study.



1962 - 3 wells were drilled. For the first time prospects for rare-earth mineralization were established. Rare-earth elements of cerium group in the amount of 9,000 tons were estimated. A recommendation for further investigation was given.



1963 - 12 wells were drilled. The depth of distribution of mineralization was established, its thickness and the length of the mineralization. Inferred resources were calculated for 12 wells and estimated at 31,800 tons of cerium group metal. Assumptions were made about possible discovery of a large deposit of rare-earth elements. Recommendations were given for further investigation and delineation of the mineralization.



1973 – drilling operations were carried out. The dimensions of the main ore body have been determined. Technological research was carried out in the Polevskaya laboratory (Sverdlovsk) and GIREDMET. The reserves of rare earth elements of the main ore body in the C2 category in the amount of 70 thousand tons of metal were calculated. The deposit is classified in accordance with the Soviet classification according to the number of reserves to medium deposits of rare earth elements.

MINERAL RESOURCE EVALUATION: THE AMOUNT OF RARE EARTH METALS AT THE DEPOSIT (IN TONNES)

| Nº | Title | Capacity, tons | Price for metal, USD/tonne | Price for oxide, USD/tonne | Amount per metal, USD | Amount for oxide, USD |
|---------------------------|--------------|----------------|----------------------------|----------------------------|-------------------------|-----------------------|
| PRIOZERNOE DEPOSIT | | | | | | |
| 1 | Molybdenum | 11 900,00 | 68 075,00 | 41 876,00 | 786 292 500,00 | 498 324 400,00 |
| 2 | Lanthanum | 29 400,00 | 4 408,45 | 2 366,20 | 129 595 200,00 | 69 560 400,00 |
| 3 | Cerium | 35 000,00 | 3 943,66 | 2 865,00 | 138 028 100,00 | 100 275 000,00 |
| 4 | Praseodymium | 1 400,00 | 69 021,00 | 44 975,00 | 96 629 400,00 | 62 965 000,00 |
| 5 | Neodymium | 4 900,00 | 68 000,00 | 44 689,00 | 333 200 000,00 | 218 976 100,00 |
| Overall | | | | | 1 483 745 200,00 | 950 100 900,00 |

*the table takes estimated reserves of rare earths calculated under category C2, as well as forecast reserves of the most significant by-product metals (molybdenum) into consideration.

*The calculation does not include lead reserves of 107 thousand tons (\$235.4 million), and other associated components

Obtained from the data set out in the report, using the formula specified and the appropriate proportion in ore. Calculation for other elements is not detailed in the report, but further work and investigations is required



PROJECT IMPLEMENTATION VALUE AND SCHEDULE



2024 - 12.2026. Geological exploration works to confirm and estimate reserves of Priozerny field. Investments will amount to 3.8 million USD.



01.2027-12.2027. Technological investigations. Report with calculation of reserves of rare earth elements and associated metals. Investments will amount to 2.7 million USD.



01.2028 - 12.2028. Development of project documents for the production stage. Registration of a license for Mining Investments will amount to 500 thousand USD.



The total investment in the project before the start of mining will be 7.0 million USD.

PROJECT SCHEDULE

2024 – 12.2026

Geological exploration works, confirmation of reserves of rare metals and associated metals (3.8 million USD)

01.2027 – 12.2027

Technological investigation and report with calculation of reserves of rare metals and associated metals(2.7 million USD)

01.2028-12.2028

Registration of project documents for mining, processing of a mining license (USD 0.5 million).



Map

■ Administrative Centre

AKTOBE REGION

Aktobe region is the regional center of Aktobe.
It is located in the west of Kazakhstan.

The area is 300,629 km²
(11 percent of the territory of Kazakhstan)

The population is 909,673

The region borders:

in the north with the Russian Federation's
Orenburg region

in the northeast with the Kostanay region

in the southeast with the Karaganda and
Kyzylorda regions

in the south with the Republic of Uzbekistan

in the southwest with the Mangystau region

in the west with the Atyrau region

in the northwest with the West Kazakhstan
region



Map

■ Administrative Centre

THE ECONOMY OF THE REGION

It is a major industrial region in Kazakhstan

- The industrial sector is based on mining and chemical industry and the ferrous metallurgy industry
- Mineral reserves are composed of :
 - gas - 144.9 billion m³
 - oil - 243.6 million tons
 - oil and gas condensate - 32.7 million tons
- There are large deposits of chromite (1st place in the CIS), nickel-cobalt ores, phosphorites, potassium salts, etc.
- In 2023, the GRP of the region was 6,841.2 million USD, of which the share of industry - 35.2%, agriculture - 5.1%. GRP per person is 7.8 thousand USD



Map

■ Administrative Centre

INDUSTRY OF THE REGION

All chrome ore mining, chromium salt production, and more than a quarter of Kazakhstan's ferroalloys are concentrated there

- Industry includes; mining, oil and gas processing, ferrous and non-ferrous metallurgy, machine building, chemical, light industry, food processing, and construction materials production
- In 2023, the manufacturing sector produced products worth USD 2.6 billion. The largest share in the production structure is occupied by:
 - Ferroalloys production - 47%
 - Production of chromium salts - 14.2%
 - Production of railway goods - 9.7 %
- On 1 June 2023, there were 1,617 companies registered in industrial production



5,8 %

Forecast of market
growth in terms of CAGR

\$553 million

in 2023

\$916 million

in 2031

GLOBAL MARKET FOR LANTHANUM

The global lanthanum oxide market size was 553 million USD in 2023 and is projected to reach 915.93 million USD by 2031, growing at a CAGR of 5.8%

Lanthanum is used in the production of batteries, lenses and optical devices of the military industry, for the production of high-strength magnets used in electronics, for the production of various electronic components.



3,8 %

Forecast of market
growth in terms of CAGR

\$253 million

in 2020

\$341 million

in 2028

GLOBAL MARKET FOR CERIUM

Growing demand for clean energy sources and development of renewable energy technologies will drive the growth of the cerium market. Cerium is used in the aviation industry, nuclear reactors, magnets for electronic components, and magnesium alloy production.

The cerium market is expected to grow at a compound annual growth rate of 3.8% from 2021 to 2028 to reach a value of 340.9 million USD by 2028



7,8 %

Forecast of market
growth in terms of CAGR

\$238 million

in 2020


\$349 million

in 2025

GLOBAL MARKET FOR NEODYMIUM

One of the main consumptions of neodymium is the production of permanent magnets, which are widely used in the electronics, automotive, and alternative energy industries.

The neodymium market is projected to grow at a compound annual growth rate (CAGR) of approximately 7-9% through 2025. Growth is supported by increasing demand for permanent magnets, especially in the context of the expanding electric vehicle market and the growing need for energy efficient technologies.



7,0 %

Forecast of market
growth in terms of CAGR

\$201 million

in 2020

\$271 350 million

in 2025

GLOBAL MARKET FOR PRASEODYMIUM

The projected Compound Annualized Average Growth Rate (CAGR) of the praseodymium market can be comparable to the overall trends for lanthanides, with an expected growth rate of around 6-8% between now and 2025. This growth will be driven by demand for innovative technologies where praseodymium plays an important role in various applications, including high-tech areas such as electronics and green technologies.

LEGAL DOCUMENTATION

The license for exploration of solid minerals on a total area of 16 sq.km was issued on 09.03.2024 for 6 years.



Лицензия

на разведку твердых полезных ископаемых

№ 2561-EL от 09.03.2024

1. Назначение лицензианта: Товарищество с ограниченной ответственностью "Сейлор" (далее - Недропользователь).

Юридический адрес: **Казахстан, город Астана, район Нура, Шоссе Коргалжын, дом 25, кв. 36**

Лицензия выдана и предоставляет право на пользование участком недр в целях проведения операций по разведке твердых полезных ископаемых в соответствии с Кодексом Республики Казахстан от 27 декабря 2017 года «О недрах и недروпользовании» (далее - Кодекс).

Размер доли в праве недропользования: **100% (сто).**

2. Условия лицензии:

1) срок лицензии (при продлении срока лицензии на добычу срок указывается с учетом срока продления): **6 лет со дня ее выдачи;**

2) границы территории участка недр (Блок): **В (восемь);**

М-40-72-(10а-5а-24), М-40-72-(10а-5а-25), М-40-72-(10а-5г-21), М-40-72-(10а-5г-22), М-40-84-(10б-5а-4), М-40-84-(10б-5а-5), М-40-84-(10б-3б-1), М-40-84-(10б-3б-2)



№ 2561-EL
KZ131024000180
m1n1a1d1n1a1d1
Для проверки документа отсканируйте данный QR-код

3) условия недропользования, предусмотренные статьями 191 Кодекса;

3. Обязательства Недропользователя:

1) уплата подписного бонуса: **300200 тенге;**

Срок уплаты подписного бонуса 10 раб. дней с даты выдачи лицензии;

2) уплата в течение срока лицензии платежей по пользованию земельными участками (арендных платежей) в размере и порядке в соответствии со статьей 563 Кодекса Республики Казахстан «О налогах и других обязательных платежах в бюджет (Налоговый кодекс)»;

3) обеспечение осуществления минимальных расходов на операции по разведке твердых полезных ископаемых:

в течение каждого года с первого по третий год срока разведки не менее **2300 МРП;**

в течение каждого года с четвертого по шестой год срока разведки не менее **3500 МРП;**

4) Обязательства Недропользователя в соответствии со статьей 278 Кодекса;

4. Основные признаки лицензии:

1) нарушение требований по периоду права недропользования и обязательств связанных с правом недропользования, повлекшие угрозу национальной безопасности;

2) нарушение условий и обязательств, предусмотренных настоящей лицензией;

3) неисполнение обязательств, указанных в подпункте 4) пункта 3 настоящей лицензии.

5. Государственный орган, выдавший лицензию: **Министерство промышленности и строительства Республики Казахстан.**

Подпись

Вице-министр
промышленности и
строительства
Республики Казахстан
Шархан И.И.

Место печати

Место выдачи: **город Астана, Республика Казахстан.**

В соответствии со статьей 63 Кодекса РК «О недрах и недропользовании» вам необходимо в установленном законодательством порядке предоставить копию утвержденного Плана разведки и дополнительные заключения государственной экологической экспертизы, а уполномоченным органам в области охраны здоровья населения.



№ 2561-EL
KZ131024000180
m1n1a1d1n1a1d1
Для проверки документа отсканируйте данный QR-код



№ 2561-EL
KZ131024000180
m1n1a1d1n1a1d1
Для проверки документа отсканируйте данный QR-код

